

LAC

August 1998

A Management Review of Francis Marion University



Members of the General Assembly asked us to conduct a review of Francis Marion University (FMU). The requesters were concerned about reports of conflict between the administration and the faculty and about FMU's decline in enrollment. They also asked us to review financial and academic issues at the university.

Faculty Issues

Francis Marion's president has instituted changes in the governance and programs of the university. His work has been well received by the FMU Board of Trustees and by others outside the institution. However, the administration's relationship with the FMU faculty has been characterized by conflict.

Some general themes of the faculty's responses to our February 1998 survey are listed below.

- General negative characterization of the relationship between the faculty and the administration. This relationship is considered to lack trust and is described as poor, adversarial, poisoned, strained, torn, or "war."
- Faculty perception that they lack input into decision-making at FMU.
- Faculty concern with the climate in which they work. Respondents noted that faculty fear retribution and the administration attempts to govern through intimidation.
- Faculty acknowledgment of their role in the problems that affect FMU.
- Faculty's generally negative views of the performance of the administration and individual administrators.

There is a pervasive conflict between the faculty and the administration that is costly and harmful to the university.

Both faculty and the administration agree that their conflict results in wasted resources. The conflict may also have contributed to declining enrollment. The FMU Board of Trustees should take action to reduce this conflict.

Other issues are related to the conflict between the faculty and the administration.

- The FMU administration disregarded the program proposal developed by a faculty committee that considered general education issues. As a result, the university wasted resources and has not achieved a redesign of its general education requirements.
- The university's faculty grievance policy does not provide an adequate system through which faculty can appeal personnel decisions or alleged violations of academic freedom.
- Francis Marion employed three part-time faculty who did not meet the university's criteria for teaching courses.

Declining Enrollment

Student enrollment has declined at Francis Marion in recent years. From fall 1993 to fall 1997, total enrollment declined 16%. We identified factors that may be associated with the enrollment decline.

■ Easier transfer from two-year public technical colleges to four-year public colleges may increase the likelihood that first- and second-year college students attend technical colleges.

■ Francis Marion did not have continuity in its admissions office staff from July 1995 to February 1998.

■ Disagreement and conflict between the university administration and members of the faculty have been communicated to the public through the media.

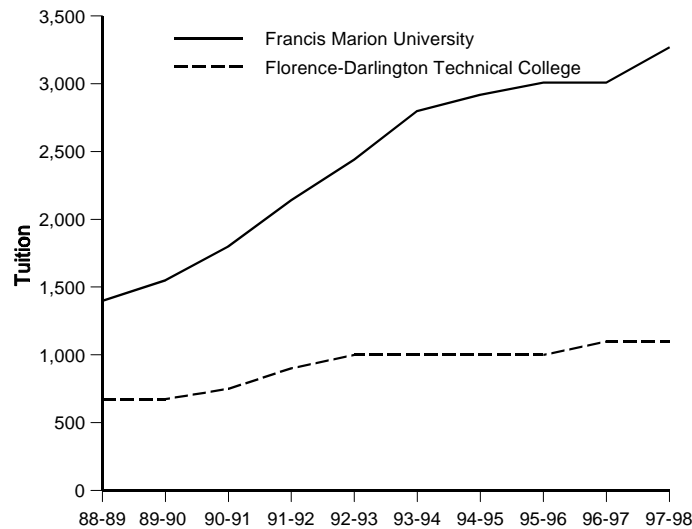
FMU Enrollment

Fall	Undergraduate	Graduate	Total
1993	3,294	149	3,443
1994	3,161	127	3,288
1995	3,054	147	3,201
1996	2,907	170	3,077
1997	2,717	169	2,886

■ Although Francis Marion's tuition is lower than that of many other four-year state institutions, the difference between FMU's tuition and that of nearby Florence-Darlington Technical College has increased significantly (see graph).

In response to declining tuition and fee revenues, FMU has deferred needed campus maintenance and may have to reduce staffing levels.

Tuition at Francis Marion University and Florence-Darlington Technical College



Performance Funding

The Commission on Higher Education (CHE) is required by state law to develop a formula for funding public colleges and universities based on their performance. Performance funding is being phased in through FY 1999-2000.

For its FY 97-98 funding, Francis Marion's performance score ranked sixth among the nine institutions in its category. FMU has made changes, such as increasing admissions standards and obtaining accreditation for academic programs, to meet the objectives of the performance indicators.

There are shortcomings in the state's performance funding process, as indicated below.

Administrative Costs

Institutions will be asked to meet the objectives of 37 performance indicators. Efforts to meet these objectives and measure performance may result in higher administrative costs.

Unweighted Performance Factors

Although state law lists "critical success factors" in priority order, the 37 performance indicators will have equal weight in funding allocations.

Performance Partially Outside the Control of the Institutions

Some factors, such as SAT scores, tend to vary across different regions of the state. Institutions may be penalized for admitting students primarily from their local areas.

Performance That is Difficult to Measure

It is difficult to develop reliable ways to measure achievement for some performance indicators, such as "post-secondary, non-academic achievement of student body."

Unverified Data

Performance funding has been based on self-reported data from the institutions. We recommend that the CHE implement a system for verifying this data.

Financial Issues

Francis Marion did not have an adequate budget for renovations made to the president's home in FY 94-95 and FY 95-96. We identified more than \$235,000 in project costs, not including labor provided by university employees. Also, some items purchased were not cost-effective. The university spent approximately \$100,000 to remodel the kitchen, including more than \$51,000 for cherry wood kitchen cabinets. FMU also made procurement errors in the project.

Excessive Costs in Home Renovation

Item Purchased	Cost
Cherry Wood Kitchen Cabinets	\$51,669
Heart Pine Kitchen Flooring (Excluding Labor)	\$10,000
Corian Counter Tops and Sinks	\$7,859
Persian Rugs	\$9,540

Francis Marion may have violated state law by improperly spending public funds on meals, receptions, and entertainment for groups of employees and board members.

Prior to our review, the university had not been reimbursed for all services it provided to the Francis Marion University Foundation — a private organization. Also, FMU's internal auditor provides accounting services for the foundation, which could limit audit independence in reviewing FMU's fund-raising efforts.

Improvements could be made in FMU's system of accounting for equipment that is susceptible to theft.

Academic Issues

Scholarships were awarded to freshmen who did not meet the university's criteria. Sixty-two (59%) of the 105 recipients did not meet the scholarship criteria. Although the criteria allow for reasonable exceptions, FMU did not document why the scholarships were awarded.

More than 70% of Francis Marion's out-of-state freshmen did not pay out-of-state fees. The university has a policy allowing out-of-state fees to be waived for nonresident students who receive scholarships as small as \$25 per semester. State law allows institutions to waive out-of-state fees for recipients of scholarships. However, the practice of waiving fees for students who receive token scholarships may violate the intent of the General Assembly.

Francis Marion did not adequately implement its comprehensive achievement program (CAP) — a program for freshmen admitted with borderline qualifications. Also, the university has not adequately planned or monitored changes in its night class schedule.

Controls over student grade changes need to be improved. Eight (15%) of 54 grade changes we examined were made without the instructor's signature. Also, the university did not use its grade appeal process.

This document summarizes our full report, *A Management Review of Francis Marion University*. Copies of the full report and all LAC audits are available free of charge. Audits published after January 1995 can also be found on the Internet at www.lpittr.state.sc.us/reports/lac.htm. New publications may not be immediately available on the Internet. If you have questions, contact George L. Schroeder, Director.